



Related Medlearn Matters Article #: MM4115

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Related CR #: 4115

Therapy Caps To Be Effective January 1, 2006

Key Words

MM4115, CR4115, therapy, caps, 2006

Provider Types Affected

Therapists and providers who bill Medicare carriers or fiscal intermediaries (FIs) for therapy services for their patients

Key Points

- The effective date of the instruction is January 1, 2006.
- The implementation date is January 3, 2006.
- Beginning January 1, 2006, financial limitation of therapy services (therapy caps) will be implemented.
- The dollar amount for the 2006 limitation on physical therapy and speech-language pathology services from January 1, 2006, through December 31, 2006, will be \$1,740.00.
- The dollar amount for the limitations in 2006 is based on the Medicare Economic Index that is published in the final rule for the Medicare Physician Fee Schedule in November 2005.
- Carriers and FIs will not change the way outpatient therapy service claims (physical therapy, including outpatient speech-language pathology, and occupational therapy) were processed from September 1, 2003, through December 7, 2003.
- Financial limitations on therapy services (therapy caps) are currently described in the *Medicare Claims Processing Manual* (Pub. 100-04), chapter 5, section 10.2.
- Limits apply to outpatient Part B therapy services from all settings except outpatient hospital (place of service code 22 on carrier claims) and hospital emergency room (place of service code 23 on carrier claims).
- Limitations do not apply for SNF residents in a covered Part A stay, including swing beds. Rehabilitation services are included within the global Part A per diem payment that the SNF receives under the PPS for the covered stay.

- Limitations do not apply to any therapy services billed under PPS Home Health, or inpatient hospitals including critical access hospitals.

Important Links

The Medlearn Matters article is located at

<http://new.cms.hhs.gov/medlearnmattersarticles/downloads/MM4115.pdf>

More information about the CY 2006 Ambulance Inflation Factor is available at

<http://new.cms.hhs.gov/transmittals> on the CMS web site. From that web page, select 2005 transmittals, and search on 4115 as the keyword field. Then click on the transmittal number in the download section.

Financial limitations on therapy services (therapy caps) are currently described in the *Medicare Claims Processing Manual* (Pub. 100-04), Chapter 5, Section 10.2, which is available at

<http://new.cms.hhs.gov/manuals/downloads/clm104c05.pdf> on the CMS web site.

The Rehabilitation Therapy Information Resource for Medicare is located at

<http://new.cms.hhs.gov/TherapyServices/> on the CMS web site.

Your carrier or intermediary's toll-free number may be found at the CMS contact web site at

<http://www.cms.hhs.gov/apps/contacts/>